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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

28 OCT 1993

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IN REPLY REFER TO:

Honorable Lee H. Hamilton
House of Representatives
2187 Rayburn House Office Building
Washington, D.C. 20515

93-253

RECEIVED

DEC 6 1993

FEDERAL COMMUNICATIONS
OFFICE OF THE SECRETARY

Dear Congressman Hamilton:

This in reply to your letter of September 21, 1993, on behalf of your constituent Leroy Corya. Mr. Corya is concerned about the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies. Your letter was referred to me because the Office of Plans and Policy is responsible for implementing the competitive bidding provisions of the Budget Act for the Commission.

On October 12, 1993, the Commission released a Notice of Proposed Rule Making, PP Docket No. 93-253 (Auction NPRM), to implement the provisions of the Budget Act concerning competitive bidding. According to the Budget Act, the Commission must ensure the economic opportunity of small businesses, businesses owned by women and minorities and rural telephone companies. To meet this Congressional mandate, the Auction NPRM proposed a variety of financial incentives for the designated entities. Specifically, we proposed to offer the designated entities the equivalent of government financing for payment of their bids for services subject to competitive bidding i.e., installment payments with interest. We also asked for comment on the use of tax certificates. In the case of broadband PCS, the Commission also proposed to set-aside two blocks of spectrum in each market, one of 20 MHz and one of 10 MHz, for bidding by the designated entities. In this manner, the designated entities would only compete with one another for broadband PCS rather than against larger entities with easier access to capital. As we consider the comments filed in the competitive bidding proceeding, I can assure you that we will keep in mind our mandate to ensure economic opportunity for the designated entities, including small businesses and rural telephone companies, as required by the Budget Act.

Sincerely,



Robert Pepper
Chief
Office of Plans and Policy

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Congress of the United States

House of Representatives

Washington, D.C.

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Quinton
3854

Sir/Madam:

The attached communication is sent for your consideration. Please investigate the statements contained therein and forward me the necessary information for reply, returning the enclosed correspondence with your answer.

Yours truly,

CONGRESSMAN LEE H. HAMILTON
2187 RAYBURN BUILDING
WASHINGTON, D.C. 20515

M.C.

Southeastern Indiana Rural Telephone Co-Op., Inc.

September 2, 1993

Congressman Lee H. Hamilton
9th District
2187 Rayburn Building
Washington, DC 20515

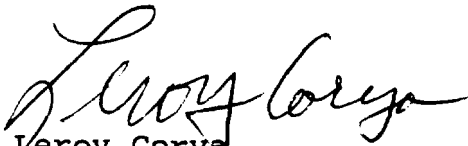
Dear Lee,

I am writing to ask you to contact Federal Communications Commission Chairman James H. Quello and Commissioners Andrew C. Barrett and Ervin S. Duggan strongly encouraging them to fully achieve the objectives of the recently-passed budget reconciliation law by ensuring that small and rural telephone systems are able to provide new services, such as PCS, under an auction regime.

The budget reconciliation law requires the FCC to ensure new technologies are rapidly deployed in rural areas. It also requires that licenses be distributed to a wide variety of applicants, including rural telephone companies.

Small and rural telephone systems are best situated to assure new services and technologies reach rural subscribers. They have a proven track record of delivering state-of-the-art technologies to their subscribers in rural America. Please urge the FCC to ensure that we can continue to do so.

Sincerely,



Leroy Corya
General Manager

LC:jpk

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